



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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October 2, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**REQUEST FOR AUTHORITY TO TERMINATE AN ALCOHOL AND
DRUG SERVICES AGREEMENT FOR DRUG MEDI-CAL SERVICES**
(3rd District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Terminate for default County Agreement No. H-207582 for Drug/Medi-Cal (DMC) Alcohol and Drug Services, with Health, Education, & Leadership for People, Inc. and instruct the Director of Health Services, or his designee, to provide a Notice of Default to this contractor.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

In approving this action, the Board is authorizing the Director of Health Services, or his designee, to terminate for default, Agreement No. H-207582 with Health, Education, & Leadership for People, Inc. and issue the Notice of Default required under Paragraph 37B, Termination for Default, of the Additional Provisions.

FISCAL IMPACT/FINANCING:

Under County Agreement No. H-207582, with Health, Education, & Leadership for People, Inc., the County's total maximum obligation was \$822,000 (\$274,000 for Fiscal Year [FY] 2002-03, \$274,000 for FY 2003-04 and \$274,000 for FY 2004-05), of which the contractor billed and was

paid a total of \$38,983.68 for services provided in FY 2002-03. No services were provided in FY 2003-04.

The funds previously obligated under the agreement will be reallocated to other DMC alcohol and drug service providers to provide services to patients who are displaced as a result of the termination of this contract. Funding for the County's DMC Program is included in the Department of Health Services' (DHS) FY2003-04 Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On April 30, 2002, the Board approved an agreement with the Health, Education, & Leadership for People, Inc., effective November 2, 2000 through June 30, 2002, to provide DMC alcohol and drug services.

On June 11, 2002, the Board approved a renewal agreement with this agency, effective July 1, 2002 through June 30, 2005. The agreement includes a termination for default provision which requires the County to provide a notice of default to contractor, and terminate the agreement immediately if the contractor fails to perform any services within the times specified in the agreement or if the contractor fails to perform and/or comply with any of the provisions in the agreement.

In the course of a routine site visit, DHS Alcohol and Drug Program Administration (ADPA) discovered that Health, Education, & Leadership for People, Inc. had ceased providing services and had abandoned its facility. Numerous attempts by ADPA to reach the agency by telephone and letter have failed. The termination will be effective upon your Board's approval of this action.

Immediately following your Board's approval of termination, the Director of the DHS Alcohol and Drug Program Administration, as the designee for the Director of Health Services, will provide the Notice of Default and terminate the agreement with Health, Education, & Leadership for People, Inc., as approved by County Counsel.

CONTRACTING PROCESS:

It is inappropriate to advertise contract terminations on the Los Angeles County OnLine Website.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

DHS has the ability to reallocate funds previously obligated under this agreement to other DMC providers to ensure treatment and service continuation to patients in the area formerly served by Health, Education, and Leadership for People, Inc.

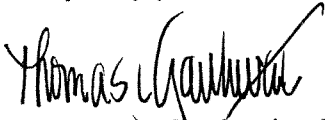
The Honorable Board of Supervisors

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When approved, this Department requires three signed copies of the Board's action.

Very truly yours,

A handwritten signature in black ink, appearing to read "Thomas L. Garthwaite", with a stylized flourish at the end.

Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ks

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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